



AGENDA

Meeting

of the

BOARD OF DIRECTORS

of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

TUESDAY, DECEMBER 1, 2015

8:30 AM

Santa Barbara MTD Auditorium

550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

Dave Davis, Chair; Chuck McQuary, Vice Chair; Olivia Rodriguez, Secretary; Dick Weinberg, Director; Bill Shelor, Director; David Tabor, Director; Roger Aceves, Director

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES-(ATTACHMENT-ACTION MAY BE TAKEN)

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of November 10, 2015.

5. CASH REPORT-(ATTACHMENTS-ACTION MAY BE TAKEN)

The Board will be asked to review the cash report of November 3, 2015 through November 16, 2015.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item number that you wish to comment on.

7. DIRECTORS AND OFFICERS (D&O) AND FIDUCIARY LIABILITY INSURANCE - (ACTION MAY BE TAKEN)

Staff recommends that the MTD Board of Directors approve binding coverage for Directors and Officers insurance with Allied World through Professional Governmental Underwriters, Inc., and Fiduciary Liability insurance with Travelers, for the effective dates 1/3/16 – 1/3/17.

8. ANNUAL ELECTION OF OFFICERS - (ACTION MAY BE TAKEN)

The Board will hold elections for the following Board assignments:

Chair

Vice Chair

Secretary

9. GENERAL MANAGER'S REPORT UPDATE-(ACTION MAY BE TAKEN)

- a) New Drivers
- b) COAST - Bus Riders Group
- c) LCTOP - Lines 1 & 2
- d) Measure A - South Coast Bike & Pedestrian Program

10. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

The Board will report on other related public transit issues and committee meetings

RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS

11. RECESS TO CLOSED SESSION- GENERAL MANAGER PERFORMANCE EVALUATION-(ACTION MAY BE TAKEN)

Conference with labor negotiators pursuant to Government Code Section 54957:

SBMTD designated representatives: Dave Davis, Chuck McQuary, Dick Weinberg, Olivia Rodriguez, Roger Aceves, Dave Tabor, Bill Shelor

SBMTD unrepresented employee:

Jerry Estrada, General Manager

12. ADJOURNMENT

AMERICAN WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



MINUTES

Meeting

Of the

BOARD OF DIRECTORS

Of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

TUESDAY NOVEMBER 10, 2015

8:30 AM

Santa Barbara MTD Auditorium

550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

Chair Davis called the meeting to order at 8:31 a.m.

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Davis reported that all members were present with the exception of Director Shelor.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Administrative Assistant, reported that the agenda was posted on Friday, November 6th, 2015 at MTD's Administrative Office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. & 5. APPROVAL OF PRIOR MINUTES & CASH REPORT-(ATTACHMENT-ACTION MAY BE TAKEN)

Director Aceves moved to waive the reading of and approve the draft minutes for the meeting of October 27, 2015 and the cash report for the period of October 6, 2015 through October 19, 2015 and October 20, 2015 through November 2, 2015. Director Tabor seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

None was made.

7. QUARTERLY STAFF REPORTS-(ATTACHMENTS-INFORMATIONAL)

Cynthia Boche, Assistant Manager of Planning, reviewed the quarterly reports for the period of July 1, 2015 through September 30, 2015 with the Board. Ms. Boche shared that the August service changes had successful schedule adjustments to Lines 1 & 2, 15x, 23 & 25. All lines are running timelier and on schedule as a result of changes. There has been a 14% decrease in ridership this year partially due to the discontinued lines 22 and Coastal Express. SBCC recently implemented a new car free program that provides free shuttles from the WAKE center to the city lot on Cabrillo. In addition SBCC has a 4% decrease in enrollment this Quarter from the prior years as well as EF.

Director McQuary inquired about the reduction in four round trips per day on the 15x and if it is possible to reroute the line rather than shortening trips. General Manager, Jerry Estrada, mentioned rerouting will be a recommendation for the next August service plans.

Director Aceves inquired about the revenue that EF school brings to MTD and if there is a need to hold a finance meeting for the reduction in service that will be affected by the lower enrollment numbers. Mr. Estrada explained there are many adjustments that are occurring in current time around

the city and will be best to hold a finance meeting at the six month review as more adjustments and data will be gathered.

Director McQuary is looking forward to reviewing the in-depth data and reports that the AVL system will be able to generate over the next year.

The Board and General Manager, Jerry Estrada briefly discussed further marketing enhancements that can take place to ensure information is being acknowledged by County/City officials and public in each city.

8. QUARTERLY FINANCE UPDATE FOR THE 3-MONTH PERIOD ENDING SEPTEMBER 30, 2015 - (ATTACHMENTS-INFORMATIONAL)

Thais Sayat, Assistant Controller, reviewed the Quarterly Finance update for the 3-month period ending September 30, 2015. Mrs. Sayat shared with the board that MTD has had a decrease in our revenue compared to last year and came in under budget 8 %, expenses are under budget by 8% with a slight increase from last years figures. Revenue came in under budget due to decrease in ridership, decrease in bulk pass sales and the over estimation of expenses for the SBCC summer sessions. In addition we were under budget due to many open positions for staff and drivers that had yet to be filled.

Director Rodriguez acknowledged the fare box data provided was very helpful in staff report.

9. REORGANIZATION OF CUSTOMER SERVICE AND COMMUNITY OUTREACH ACTIVITIES- (INFORMATIONAL)

Nancy Alexander, Customer and Public Outreach Administrator, provided the Board with an update regarding management's reorganization plans for customer service and community outreach activities. Ms. Alexander shared the management's plans to separate customer service from operations department. Ms. Alexander will in turn take the responsibility of the customer service department and representatives. In addition Ms. Alexander would like to cross-train CSR's to work in the administration office so in turn our CSR's can expand our marketing team and become ambassadors with more knowledge and training.

Director McQuary acknowledged Nancy for her well written report and believes the cross training is a great idea.

10. FORMATION OF AD-HOC COMMITTEE - CALLE REAL PROPERTY-(ACTION MAY BE TAKEN)

Mr. Estrada and the External Affairs Committee recommended the formation of an AD-HOC Committee which will allow better communication for the committee to address matter with the full Board. Chair Davis, asked for a show of interest to participate in the AD-HOC which will address the future use of the Calle Real property owned by MTD. Director Shelor and Director Tabor expressed interest. Chair Davis appointed himself as Committee chair with Director Tabor and Director Shelor as the members of the AD-HOC committee. The motion passed unanimously.

11. GENERAL MANAGER'S REPORT UPDATE-(ACTION MAY BE TAKEN)

George Amoon, Planning Manager shared that he attended the SBCC Student Senate meeting on Friday, November 6th to receive input on 2015 August services changes focusing on the 15x. Mr. Amoon discussed a reroute to the line 15x that can potentially save time and provide a direct route to Santa Barbara City College. In addition, Mr. Amoon also shared he has been working closely with UCSB and had recently made bus stop adjustments in the UCSB area to accommodate the Sierra Madre and San Joaquin housing projects.

General Manager, Jerry Estrada shared that this past week the House of Representatives passed a Six-year Federal Transportation Bill. Mr. Estrada also noted that on November 20th the Senate and House are due to meet to negotiate and reconcile the two bills. MTD is staying cautiously optimistic for the six year coverage.

In addition, Mr. Estrada also stated that the MTD is working closely with BYD bus manufactures and CAL Start to submit a grant application to purchase three new 35ft electric buses which would be tested on the routes that currently have 29' foot diesel bus routes. The grant application also includes two 30 ft electric buses that could potentially replace our shuttles.

Mr. Estrada also congratulated and acknowledged Manager of Government Relations & Compliance, Steve Mass, for his recent success of being voted Vice Chair for TTAC.

12. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

Director Weinberg shared he attended an informational meeting with the Sub Regional Planning Committee. The SBCAG board suggested a citizen oversight committee but the Sub Regional Committee did not agree. The second portion of meeting was about the 101 landing. It appears they plan to move into the phase three which is Santa Maria and south. Furthermore, phase 4 is getting more attention and is planned to break into two sections; Summerland to Carpinteria will be handled by Caltrans and Summerland to Montecito will be handled by SBCAG.

Mr. Estrada also mentioned City of Santa Barbara Staff and MTD Staff worked diligently this past week to install the new benches along the transit center and it was done promptly and efficiently.

RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS

13. RECESS TO CLOSED SESSION– GENERAL MANAGER PERFORMANCE EVALUATION-(ACTION MAY BE TAKEN)

Conference with labor negotiators pursuant to Government Code Section 54957:

SBMTD designated representatives: Dave Davis, Chuck McQuary, Dick Weinberg, Olivia Rodriguez, Roger Aceves, Dave Tabor, and Bill Shelor

SBMTD unrepresented employee: Jerry Estrada, General Manager

No action was taken.

14. ADJOURNMENT

Director Davis moved to adjourn the meeting at 10:45 a.m. Director Rodriguez seconded the motion. The motion passed unanimously.

AMERICAN WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of November 24, 2015
For the Period November 3, 2015 through November 16, 2015

MONEY MARKET

Beginning Balance November 3, 2015 **\$9,968,280.14**

Accounts Receivable	157,852.90
Passenger Fares	134,271.46
Advertising/Prepaid Deposi	102,778.51
UCSB Fares	101,118.61
Miscellaneous/Asset Sales	844.80
Total Deposits	496,866.28

ACH Garn/Escrow	(951.68)
Bank/CC Fees	(1,049.94)
ACH Pensions Transfer	(31,905.36)
ACH Tax Deposit	(138,057.71)
Payroll Transfer	(300,184.52)
Operations Transfer	(392,811.97)
Total Disbursements	(864,961.18)

Ending Balance **\$9,600,185.24**

CASH INVESTMENTS

LAIF Account	\$3,343,048.17
Money Market Account	9,600,185.24

Total Cash Balance **\$12,943,233.41**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,915,465.96)
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Working Capital **\$9,027,767.45**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
110998	11/5/2015	ABC BUS COMPANIES INC	BUS PARTS	507.17	
110999	11/5/2015	AQUA-FLO	BUS WASH SUPPLIES	93.38	
111000	11/5/2015	BIG GREEN CLEANING CO. DBA	JANITORIAL SERV./SUPPLIES	384.96	
111001	11/5/2015	BNS ELECTRONICS, INC.	SANTA YNEZ SITE RENTAL	269.27	
111002	11/5/2015	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	43.74	
111003	11/5/2015	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	269.05	
111004	11/5/2015	CASE DETECTIVE AGENCY	SECURITY SERVICES	2,345.00	
111005	11/5/2015	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	203.10	
111006	11/5/2015	CERTIFIED ENVIRONMENTAL	PROFESSIONAL SERVICES	11,512.18	
111007	11/5/2015	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	242.03	
111008	11/5/2015	CINTAS CORPORATION	FIRST AID SUPPLIES	292.01	
111009	11/5/2015	CUMMINS PACIFIC, LLC	BUS PARTS	551.40	
111010	11/5/2015	DAVE BANG ASSOCIATES, INC.	BUS BENCHES, TRASH RECEPTACLES	9,907.04	
111011	11/5/2015	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	68,792.58	
111012	11/5/2015	FERRO MAGNETIC CORPORATION	BATTERY CHARGERS/PARTS	1,901.05	
111013	11/5/2015	FRED'S UPHOLSTERY DBA	UPHOLSTERY REPAIRS	75.00	
111014	11/5/2015	FUSES UNLIMITED, INC	BUS PARTS	134.09	
111015	11/5/2015	GIBBS INTERNATIONAL INC	BUS PARTS	1,562.54	
111016	11/5/2015	GILLIG LLC	BUS PARTS	220.59	
111017	11/5/2015	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	11,851.04	
111018	11/5/2015	GRAINGER, INC.	SHOP/B&G SUPPLIES	238.71	
111019	11/5/2015	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	25.23	
111020	11/5/2015	INTERCON TECHNOLOGIES DBA	EV/CHARGER REPAIRS	3,770.00	
111021	11/5/2015	IPC (USA), INC.	BUS FUEL	24,628.17	
111022	11/5/2015	KIMBALL MIDWEST	SHOP SUPPLIES	493.02	
111023	11/5/2015	MC CORMIX CORP. (OIL)	LUBRICANTS	3,653.04	
111024	11/5/2015	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
111025	11/5/2015	MILPAS RENTAL INC.	EQUIPMENT RENTAL	49.30	
111026	11/5/2015	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	5,509.81	
111027	11/5/2015	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	108.06	
111028	11/5/2015	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,651.15	
111029	11/5/2015	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	27,423.00	
111030	11/5/2015	NEW PIG CORP.	B/G SUPPLIES (OF)	172.19	
111031	11/5/2015	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS & SOFTWARE	669.35	
111032	11/5/2015	POWERSTRIDE BATTERY CO.	EV BATTERIES	592.77	
111033	11/5/2015	PUBLIC AGENCY RISK MANAGERS	MEMBERSHIP DUES	150.00	
111034	11/5/2015	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	684.40	
111035	11/5/2015	SILVAS OIL CO., INC.	LUBRICANTS	292.41	

Check #	Date	Company	Description	Amount	Voids
111036	11/5/2015	SMITTY'S TOWING SERVICE	D TOWING SERVICES	125.00	
111037	11/5/2015	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	32.65	
111038	11/5/2015	SIGNS BY KEN, INC	EV RELETTERING	489.00	
111039	11/5/2015	SO. CAL. EDISON CO.	UTILITIES	3,903.27	
111040	11/5/2015	BRADLEY LAWRENCE SOUSA	REIMBURSEMENT	200.00	
111041	11/5/2015	STAPLES INC. & SUBSIDIARIES	OFFICE SUPPLIES	415.15	
111042	11/5/2015	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	100.00	
111043	11/5/2015	SB CITY OF-REFUSE/WATER	UTILITIES	4,538.20	
111044	11/5/2015	THE MEDCENTER	MEDICAL EXAMS	3,344.00	
111045	11/5/2015	VALLEY POWER SYSTEMS, INC.	BUS PARTS	990.10	
111046	11/5/2015	VAQUERO SYSTEMS	AVL PROJECT SERVICES	15,012.50	
111047	11/5/2015	VOLT MANAGEMENT CORP.	CONTRACT EMPLOYMENT	3,141.97	
111048	11/5/2015	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	548.95	
111049	11/13/2015	B2B SERVICES DBA	OFFICE SUPPLIES	120.96	
111050	11/13/2015	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	35.72	
111051	11/13/2015	BLACK GOLD INDUSTRIES, CORP	OIL/ATF RECYCLING	3,605.25	
111052	11/13/2015	CASE DETECTIVE AGENCY	SECURITY SERVICES	4,480.00	
111053	11/13/2015	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	136.02	
111054	11/13/2015	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	575.00	
111055	11/13/2015	NICHOLAS R. CONTI	SURVEYOR	330.00	
111056	11/13/2015	CINTAS CORPORATION	FIRST AID SUPPLIES	114.61	
111057	11/13/2015	COAST TRUCK PARTS	BUS PARTS	253.15	
111058	11/13/2015	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	332.98	
111059	11/13/2015	CUMMINS PACIFIC, LLC	BUS PARTS	777.95	
111060	11/13/2015	MARY DEAIL	PAYROLL RELATED	106.15	
111061	11/13/2015	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	43.18	
111062	11/13/2015	ERGOMETRICS, INC.	DRIVER TEST SCORING	116.00	
111063	11/13/2015	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	80.42	
111064	11/13/2015	STATE OF CALIFORNIA	PAYROLL RELATED	526.13	
111065	11/13/2015	FUSES UNLIMITED, INC	BUS PARTS	166.19	
111066	11/13/2015	GIBBS INTERNATIONAL INC	BUS PARTS	831.32	
111067	11/13/2015	GRAINGER, INC.	SHOP/B&G SUPPLIES	196.88	
111068	11/13/2015	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	31.69	
111069	11/13/2015	INTERCON TECHNOLOGIES DBA	EV/CHARGER REPAIRS	1,824.00	
111070	11/13/2015	IPC (USA), INC.	BUS FUEL	49,185.96	
111071	11/13/2015	SHERIFF CIVIL BUREAU	PAYROLL RELATED	407.79	
111072	11/13/2015	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,289.57	
111073	11/13/2015	NEWARK ELECTRONICS, CORP.	BUS PARTS	48.63	
111074	11/13/2015	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	868.05	
111075	11/13/2015	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS & SOFTWARE	198.72	
111076	11/13/2015	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	

Check #	Date	Company	Description	Amount	Voids
111077	11/13/2015	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	1,060.00	
111078	11/13/2015	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	
111079	11/13/2015	SM TIRE, CORP.	BUS TIRE MOUNTING	236.50	
111080	11/13/2015	SO. CAL. EDISON CO.	UTILITIES	2,377.35	
111081	11/13/2015	STAPLES INC. & SUBSIDIARIES	OFFICE SUPPLIES	289.83	
111082	11/13/2015	THE LIGHTHOUSE	SHOP SUPPLIES	53.36	
111083	11/13/2015	GARY THOMSON	DMV/VTT REIMBURSEMENT	52.00	
111084	11/13/2015	TK SERVICE, INC.	BUS PARTS & REPAIRS	863.08	
111085	11/13/2015	TEAMSTERS PENSION TRUST	UNION PENSION	91,250.75	
111086	11/13/2015	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,202.85	
111087	11/13/2015	U.S. DEPARTMENT OF EDUCATION	PAYROLL RELATED	215.52	
111088	11/13/2015	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,850.90	
111089	11/13/2015	VENTURA COUNTY STAR DBA	PUBLIC NOTICE ADS	1,185.00	
111090	11/13/2015	VERIZON CALIFORNIA	TELEPHONES	94.99	
111091	11/13/2015	VERIZON WIRELESS	WIRELESS PHONES	241.90	
				392,811.97	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$392,811.97

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
11/2/2015	UCSB - Contract Fares	Contract Fares - Oct. 2015	101,971.95
11/5/2015	ASTI Holding Company, LLC	Overpass Property Lease Nov. 2015	15,389.18
11/5/2015	Public Surplus	Sale of Surplus Property	842.93
11/9/2015	Montecito Bank & Trust	Advertising on Buses	3,448.00
11/10/2015	CHUBB Ins.	Insurance Claim	3,515.24
11/12/2015	County of Santa Barbara	Passes/Token Sales	2,463.50
11/16/2015	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship 10/19	4,312.16
11/16/2015	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship 10/14	4,312.16
11/16/2015	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship 10/7	4,312.16
11/16/2015	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship 10/9	4,312.16
11/16/2015	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship 10/12	4,312.16
11/16/2015	Fritz Creative Marketing	Advertising on Buses	828.00
11/16/2015	Fritz Creative Marketing	Advertising on Buses	810.00
11/16/2015	Fritz Creative Marketing	Advertising on Buses	1,407.60
11/16/2015	Godzilla Graphics	Advertising on Buses	1,215.00
11/16/2015	Godzilla Graphics	Advertising on Buses	3,170.50
11/16/2015	Jim Haggerty	Retiree - Vision Nov. 2015	12.20
11/16/2015	Santa Barbara Airport	Advertising on Buses	1,218.00
Total Accounts Receivable Paid During Period			\$157,852.90



BOARD OF DIRECTORS REPORT

MEETING DATE: December 1, 2015

AGENDA ITEM #: 7

DEPARTMENT: RISK

TYPE: ACTION

PREPARED BY: MARY GREGG

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: Directors and Officers (D&O) and Fiduciary Liability Insurance

RECOMMENDATION:

Staff recommends that the MTD Board of Directors approve binding coverage for Directors and Officers insurance with Allied World through Professional Governmental Underwriters, Inc., and Fiduciary Liability insurance with Travelers, for the effective dates 1/3/16 – 1/3/17.

DISCUSSION:

This matter was taken to the Finance Committee for assessment of the coverage selections and deductible options. The Finance Committee considered Staff's proposal to establish individual policies for the different insurance lines and unanimously approved the recommendation.

The current policy has a shared \$3,000,000 limit between three lines of coverage: Directors and Officers (D&O), Fiduciary, and Employment Practices Liability (EPL). In reviewing terms of the policies and limits, Staff's assessment is that the stand alone policies being recommended provide better coverage for the District compared to the current shared coverage limit. Bob Fatch of Brown and Brown, MTD's insurance broker, reports that RSUI will not unbundle the current policy and is unable to compete with our carriers to provide the District with individual policies. After a comprehensive market search, Allied World and Travelers have offered the best terms.

ANALYSIS:

The options in the insurance market in California for D&O and EPL are shrinking as carriers are leaving the state due to the high cost and increasingly large number of these types of claims. Additionally, per Bob Fatch, there are a limited number of carriers that write these policies for the public sector. MTD's current carrier is RSUI Indemnity Company, which has been severely affected by losses in California. RSUI continues to increase their pricing and tighten their underwriting, particularly in the EPL market.*

BUDGET/FINANCIAL INFORMATION:

Carrier:	RSUI Expiring	RSUI Renewal Offer	Allied World New Offer	Travelers New Offer
Policy:	D&O, Fiduciary, and EPL	D&O, Fiduciary, and EPL	D&O	Fiduciary
Premium:	\$42,715	\$60,038	\$17,025	\$3,706
Limits:	\$3,000,000 Shared (\$2,000,000 Fiduciary sublimit part of the shared limit)	\$3,000,000 Shared (\$2,000,000 Fiduciary sublimit part of the shared limit)	\$3,000,000	\$2,000,000
Deductible:	D&O- \$50,000 Fiduciary-\$5000 EPL-\$150,000	D&O- \$50,000 Fiduciary-\$5000 EPL-\$150,000	\$100,000	\$0
Notes:	Duty to Defend wording deleted	Duty to Defend wording deleted	Duty to Defend wording included	N/A

*EPL covers wrongful acts arising from the employment process. It is designed to address an entity's exposure to most employment practice-related claims, on a first- and third-party basis. Third-party coverage protects an organization and its employees from accusations of wrongful acts committed by third parties against its employees. MTD is especially vulnerable to harassment and discrimination claims by the large extent to which operations involve contact with the public, making third-party a critical coverage option. According to Bob Fatch, RSUI made the decision to discontinue offering third-party coverage to organizations with meaningful third party exposure. MTD's General Manager has acted to mitigate potential exposure in this area by executing an insurance policy, offering first-party and third-party coverage, with carrier OneBeacon under the following terms:

Premium: \$39,530	Limits: \$3,000,000	Deductible: \$150,000	Notes: Prior acts included.
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BOARD OF DIRECTORS REPORT

MEETING DATE: DECEMBER 1, 2015 **AGENDA ITEM #:** 8

TYPE: ACTION

PREPARED BY: NATASHA GARDUNO

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: **Annual Election of Officers**

DISCUSSION:

The Board will hold elections for the following Board assignments:

Chair
Vice Chair
Secretary

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: December 1, 2015
Subject: General Manager's Report

Operations

Our quarterly VTT (Verification of Transit Training) sessions were completed last week. These are held four times per year, and are a California DMV requirement to maintain the license necessary in our industry. Eight hours of training per year is the minimum per state law. These sessions are held over 4 days, at different hours, to accommodate all the diverse work schedules of our Operators. Topics that were discussed, included, but were not limited to current concerns, AIM Project, general safety, and customer service.

Two of our newest Operators in Training: Duane Nash and Elaine Rice passed their DMV test. Eddy Cruz, our other Operator in Training will test this week. Candidates have to demonstrate to a DMV Examiner a Pre-trip, a skills test, and an over the road test. Operations have been very successful in preparing employees for the tests. Additionally, congratulations to Manny Castanon, our Safety and Training Officer and his team in preparing people for these rigorous exams.

The Winter Bid process is nearing completion, and should be done by this week.

Administration

Staff attended the monthly COAST Bus Riders Meeting on November 12. Staff discussed the increased AM peak hour weekday service on Lines 1 and 2 to begin on November 30 funded by a Cap and Trade grant, service suggestions by COAST, and the automatic ticket vending machine that will be installed in the Franklin Center in the spring.

As required by FTA, staff submitted the required monthly ridership and safety & security reports for October to the National Transit Database. Staff also submitted the required Disadvantaged Business Enterprise (DBE) semi-annual "Uniform Report of DBE Commitments / Awards and Payments."

MTD received funding through Caltrans from the Low Carbon Transit Operations Program (LCTOP), a California cap-and-trade program. Caltrans requires semi-annual reports on LCTOP-funded projects. Staff submitted the required report, although MTD's LCTOP project (enhanced service on Lines 1 & 2 during the A.M. peak period) will be implemented on November 30.

Staff submitted a pre-application to SBCAG for funding from the Measure A South Coast Bike & Pedestrian Program to purchase three-bike bicycle racks for our buses. The complete application is due to SBCAG by December 15. The program requires that transit agency applicants have a city or the county as a sponsor. MTD thanks the City of Santa Barbara for agreeing to serve as the sponsor of MTD's application.

The draft Strategic Plan was presented to COAST at their meeting of November 12. The attendees were very interested in the presentation and asked several questions. Staff asked COAST members to send any comments by December 1.

The California Transit Association (CTA) held their 50th annual Fall Conference and Expo in Pasadena last week. MTD was represented at the conference Brad Davis, Chairperson Davis and I. Work sessions tracks included leadership, finance and maintenance. Additionally, I was invited to participate on behalf of MTD, as a panelist, in a session pertaining to Local Funding.

The Human Resource department continues to actively recruit for open positions and is pleased to report that efforts have been successful. In October, MTD hired three bus drivers and a mechanic, and also filled the Safety Training Officer position. Two mechanic positions remain open and we expect to hire more drivers in November. HR is working with Regional Government Services to fill the Manager of Maintenance position.